



**MINUTES**  
**Economic Development Authority**  
**May 19, 2020**

**CALL TO ORDER**

The Economic Development Authority meeting was called to order at 6:00 pm.

**Present:** Chair: Jahn Dyvik (telephonic); Vice Chair: Lori Goodsell (telephonic); Board: Tim Hultmann (telephonic), Michelle Jerde (telephonic), Tom Skjaret (telephonic), Deirdre Kvale (telephonic), and Charlie Miner (telephonic)

**Staff Present:** City Administrator/Executive Director: Scott Weske (in person)

**Absent:** None

**PLEDGE OF ALLEGIANCE**

**APPROVE AGENDA**

*A motion was made by Hultmann, seconded by Jerde, to approve the agenda. Ayes: all by roll call.*

**CONSENT AGENDA**

*A motion was made by Skjaret, seconded by Jerde, to approve the minutes of the April 21, 2020 EDA meeting. Ayes: all by roll call.*

**OPEN CORRESPONDENCE**

None.

**BUSINESS ITEMS**

**Status Update on Sale of City Owned Property to Lifestyle Communities**

Scott Weske, Executive Director, gave a brief summary of the e-mail received by Ben Landhauser of Lifestyle Communities providing an update on the schedule for their proposed Virginia Avenue redevelopment project. He explained that the pandemic has delayed some of the items.

Chair Dyvik noted that at their last meeting, the EDA had asked for an update to the schedule that Lifestyle Communities had provided back in January. He stated that the EDA was told that the schedule would be pushed about a month out and noted that according to this updated schedule things have been pushed out by several months in several cases. He indicated that overall, it is a total of a 25-month time frame versus a 20-month time frame.

Ben Landhauser, Lifestyle Communities, stated that since the last EDA meeting, the Purchase Agreement has been signed and executed. He indicated that he had spoken with Executive Director Weske regarding the delays and noted that there is a lot of work happening behind the scenes. He gave a general overview of the analysis that Lifestyle Communities has been working on in planning for this project and explained that they are tweaking the site design to refine the footprint which injects 18 one-bedroom units into the plan. He stated that when the design is finalized, he will bring it back to the City for review. He stated that he is also working on the TIF analysis for a redevelopment district. He gave an overview on what is necessary for a redevelopment TIF district to be established.

Chair Dyvik asked about what criteria will have to be met to determine whether a structure is substandard as part of a redevelopment TIF district.

Mr. Landhauser explained that the finding of any building or home being substandard means that a qualified inspector would go in and review the home as it is currently and evaluate property conditions against current code standards. He stated that he expects most of the homes along Virginia Avenue to qualify for substandard according to TIF district standards.

Board member Hultmann stated that he would like to have the TIF district established more quickly than the date shown in the schedule. He voiced his concern that under the current schedule, if the area doesn't end up qualifying for a TIF district, Lifestyle Communities may just walk away from the project and leave the property owners hanging again. He stated that he would like Lifestyle Communities to know within the next few months whether the project area will actually qualify for a redevelopment TIF district or not.

Mr. Landhauser explained that qualifying for is different than creating the TIF district. He stated that he is planning to work on a short-term detailed schedule for determining if the area can qualify as a redevelopment district.

Chair Dyvik noted that was not included in the schedule he had submitted.

Mr. Landhauser explained that they are looking at qualifying the TIF district at the same time as he is submitting applications, which is by August. He stated that they will be working on this in June and July and everyone should know by August.

Board member Hultmann asked when there will be surveys and other work done on the other properties Lifestyle Communities will be developing, such as the former Burger King site.

Mr. Landhauser confirmed that Lifestyle Communities owns the former Burger King property and the former Borgert property. He stated that they had to cancel events to launch presales on the Zvago project for the property in both March and April because they cannot have any assembly in large groups due to COVID-19 restrictions. He enumerated the behind the scenes work that they have been doing on that project and noted that they have every intent to launch sales on that property.

Board member Hultmann stated that he thought when Lifestyle Communities made their pitch to the EDA that they had stated that they already had about 50% of the Zvago units sold already.

Mr. Landhauser indicated that they need to have 60% of units pre-sold before they start construction.

Chair Dyvik noted that he recalled Lifestyle Communities had said they had a lot of interest in the Zvago project but does not remember specific numbers.

Mr. Skjaret stated that the approved plans originally presented for the Virginia Avenue project was for six buildings with a certain number of units, and it sounds as though Lifestyle Communities is already changing those plans, which he finds disappointing.

Mr. Landhauser replied that the plan still is to construct six buildings with 64 units, just in a different configuration. He assured the EDA that once the architect is done with the plans, he will bring them before the EDA.

Chair Dyvik asked Mr. Landhauser to share the conceptual plans at the next meeting.

The EDA reviewed the proposed schedule details with Mr. Landhauser.

Dan Crear, property owner on Virginia Avenue, stated that at the last EDA meeting he was under the impression that inspections of the properties would have happened by this point. He indicated that his house is vacant and an inspector can get in at any time. He commented that he also got the impression that the plan is changing and is concerned that the Virginia Avenue project is contingent on the developer's other project at the former Burger King property moving forward. He expressed his continued frustration with the process and lack of communication.

Mr. Landhauser stated that the Virginia Avenue redevelopment project is not contingent on the developer's other projects.

#### **OTHER BUSINESS**

None.

#### **ADJOURN**

*Hearing no objection, Chair Dyvik adjourned the June 2, 2020 EDA meeting by general consent at 6:29 p.m.*

Respectfully submitted,  
Scott Weske, Executive Director